AlbertaCentral

Alberta Spirit

Alberta's first 100 years have been a journey of outstanding success. We salute the hard work and sheer determination of the province's pioneers—young visionaries with an appetite for adventure and a tremendous drive for success. It was their desire to explore, discover, create opportunities and drive forward with conviction and energy that provided the solid foundation on which our prosperous province was built. This foresight and entrepreneurial spirit will continue to thrive as a new generation of Albertans remains dedicated to realizing the dream.

Alberta's credit unions have played a key role in building Alberta and providing a legacy of which we can all be proud. Our people, products and services are leading the way into the 21st century, and our "can-do" attitude and caring spirit will inspire future generations to realize their potential and reinvest back into our communities.

Drive, ambition, adventure and courage will continue to characterize Alberta and Albertans. The ability to plan for the future, thrive under the toughest challenges, overcome risks inherent in the journey—in combination with a commitment to family values and quality of life—is our legacy, upon which the next 100 years of Alberta heritage and history will be built.

Table of Contents

Page 1	Celebrate Our Past
Page 2	Imagine Our Future
Page 3	Message from the Chair of the Board
Page 4	Message from the President and CEO
Page 6	2005 Highlights
Page 18	2005 Financial Statements
Page 39	Our Partners
Page 41	Our Joint Ventures
Page 45	Our Investments

Celebrate Our Past

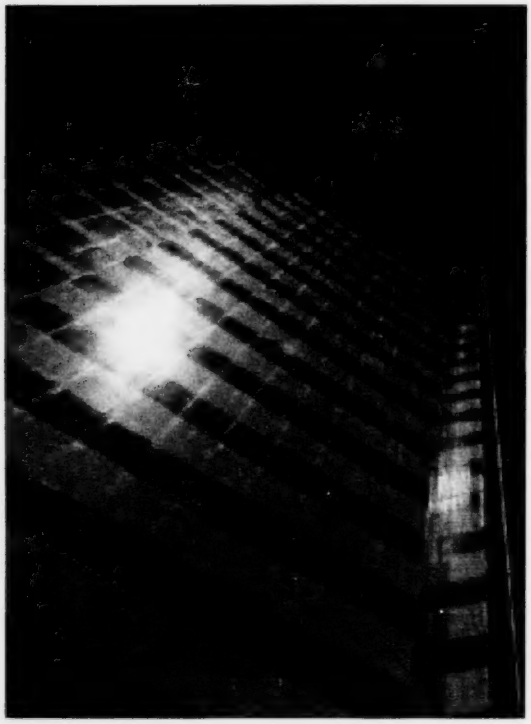
ALBERTA WAS ORIGINALLY PART OF the vast territory granted to the Hudson's Bay Company by King Charles II in 1670, and its early history was dominated by the fur trade. The area remained under the control of the Hudson's Bay Company until 1870 when it was sold to the newly created Confederation of Canada.

In 1882, the North-West Territories were divided into four administrative districts, and one was named Alberta in honor of Queen Victoria's daughter, Princess Louise Caroline Alberta, whose husband was then Governor General of Canada.

The Canadian Pacific Railway came through in the mid-1880s, opening up the area to homesteaders. To populate the vast, fertile land, the Canadian government advertised free acres to encourage settlers to establish homesteads.

The agricultural frontier, the ongoing railway construction and the birth of countless towns and villages sent a flood of people and investment capital to the new province. Many left their homelands with only what they could carry, knowing little of the Canadian climate, geography or language. Settlers had to endure harsh environments and work incredibly hard to make a life for themselves—and they thrived not only in earning a living, but in helping to build the community as well.

After a long campaign for autonomy, Alberta became a province in 1905. Prime Minister Wilfrid Laurier spoke, at the time, of the "determination of a young and vigorous people brimming with calm resolution, courage, enthusiasm and hope."



Imagine Our Future

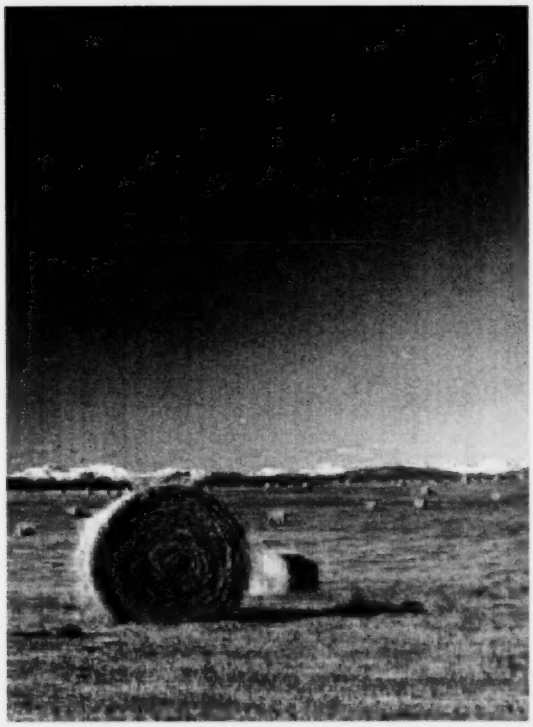
EARLY SETTLERS WHO DECIDED to take on the west brought with them a spirit of adventure and courage. Coming to an unknown land required ambition and strong character; the first Albertans had to be determined, resourceful and brave.

Hard work, family values and an entrepreneurial spirit still define Alberta today. The province's energy, enthusiasm and commitment to giving back to the community is a tribute to our founders and a legacy for future generations.

The breathtaking views, abundant natural resources and skilled workforce make Alberta an excellent place to work, live and do business. Culturally diverse, and politically and environmentally secure, Alberta has one of the strongest economies in North America. Alberta's economy has transformed from rural to industrial, and growth and economic development have quickened throughout the years due to its fast-growing population.

Today, Alberta is an economic powerhouse, and Albertans are confident, enthusiastic entrepreneurs whose products and services are unsurpassed. The province's vibrant and diverse industrial base now includes advanced technology, agriculture, energy, forestry, manufacturing, tourism, telecommunications and finance.

In the years to come, Alberta will continue to thrive, and will remain a choice place to live and work. As Alberta's economy expands, the credit union system will strengthen and support this growth by addressing the diverse and constantly evolving financial needs of the province's people and businesses with professionalism, commitment and dedication. We are looking forward to the next hundred years of growth, prosperity and adventure.



A Message from the Chair of the Board

THIS YEAR, THE YEAR OF Alberta's centennial anniversary, is a great vantage point from which we can look back and reflect on our roots, our history, our achievements, and the enormous transition that credit unions have undergone since beginning to serve Albertans 68 years ago.

In the short span of two generations, Alberta credit unions evolved from a small grassroots movement into a sophisticated network of best-of-class financial institutions, with a full range of financial products and services and nearly $11 billion in assets. The first credit union that opened for business in Alberta had 40 members. Today, over 650,000 Albertans use credit unions for their financial needs. The first credit unions operated out of the crowded living rooms of board members' homes. Today, our system boasts 208 state-of-the-art branch facilities. In 1937, business transactions were recorded in blue ink in home-made ledgers. Today, credit unions are using cutting edge technology to provide enhanced services to members. From leading the industry in ATM adoption to embracing new chip card technologies, credit unions have always been at the forefront of technological progress.

It is, however, not only our asset size and modern technology that make our system successful. Our growth is founded on the values and principles that laid the groundwork for the credit union system 68 years ago. These values include commitment to our members, responsible governance and corporate citizenship, support of local communities, and an unrelenting focus on people and service. This philosophy is a common thread that links Alberta credit unions, Alberta Central, and our affiliate partners. Together, we will achieve our goal of strengthening the place of our system in the Albertan and Canadian economies by providing credit unions and their members with the best possible service.

G. Penny Reeves
Chair of the Board

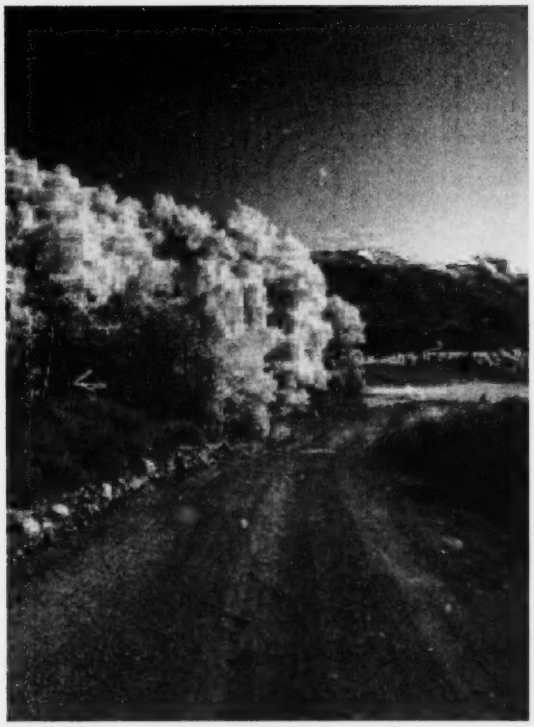
A Message from the President and CEO

ALBERTA CENTRAL AND ALBERTA credit unions experienced another stellar year in 2005. New milestones of our system's financial achievement included record earnings, double-digit loan and total asset growth, and remarkable growth in our capital base. Throughout the year, these solid financial results were backed by many of Alberta Central's initiatives in the areas of investments, lending services, payment and statement services, strategic planning and government relations. Excellent progress was also made on the technology front: Celero Solutions, our partner in technology, has announced the selection of the foundation software for the eroWORKS® retail banking platform—a consolidated banking system solution with open and flexible functionality that was enthusiastically embraced by Celero's credit union clients in the prairie provinces.

Central's all time record earnings reflect the fact that our strategy of developing core competencies, both directly, and indirectly through our affiliates, is working. We now have a growing diversified revenue base: 36% of our 2005 revenues were generated outside the Alberta credit union system. The payoff is evident in our bottom line and level of patronage dividend distributions, but, more importantly, the results illustrate that we have created a solid platform for future growth and profitability.

We are proud of our many successes and achievements, and realize that they would not be possible without the excellence and commitment of our people, partners, and members, and the close working relationships that we have been able to build within our system. People, relationships, personal service—this is where we began our journey 68 years ago, and this is what forms the backbone of our business today. On behalf of Alberta Central's management, I would like to express our appreciation to our team of employees and our strategic partners for their dedication and hard work, and to our members and shareholders for their continued trust and support.

Jim Scopick
President & CEO



Alberta Central

ALBERTA CENTRAL IS A MEMBER-focused, performance-driven organization dedicated to providing high quality financial and support services to Alberta's 52 credit unions. Central's mission is:

"to support credit unions in meeting the expectations of members, through the leadership and excellence of our people, products, and services".

Through its knowledgeable and dedicated staff and its strategic partners, Central delivers a wide range of support to Alberta credit unions. Alberta Central's key role is to perform the functions of a central banker, providing investment, lending, and statutory liquidity services for member credit unions. Alberta Central represents credit union interests to the provincial and federal governments, strategic partners, and public audiences, and facilitates communications and joint strategy development within the system, while ensuring member participation in setting and implementing system strategic direction. Central's joint venture partners offer credit unions innovative solutions and programs in the areas of business consulting, payment and statement services, information technology, card and merchant services, wealth management, insurance, and trust services.

Alberta Central's asset base is $1.58 billion. Central's continually strong financial performance is a function of the expertise and dedication of its employees, its close working relationship with member credit unions, its success in forging strategically sound alliances with competent and committed partners, and its solid track record of managing a profitable investment and loan portfolio while maintaining a low risk profile.

2005 Highlights

ALBERTA CENTRAL CONTINUALLY looks for new ways to provide enhanced services to credit unions to meet their quest for growth and success. In the past year, Central and its strategic partners undertook a number of business initiatives aimed at supporting credit union achievements.

Government Relations

During 2005, Alberta Central worked with an advisory committee of credit union staff and with the Peer Groups and the Credit Union Managers' Committee to identify legislative changes required by the credit union system to enhance competitive powers. The legislative issues credit unions will work to advance in 2006 address important new competitive business powers, including the ability to own insurance brokers, the power to engage in auto leasing, and the ability to own a bank or retail association subsidiary. At the national level, Alberta Central has participated in a review of the CCA Act—the legislation governing national financial cooperatives—with Credit Union Central of Canada to develop a proposal for amendments that introduce more flexibility to accommodate future credit union restructuring.

Treasury

The steady growth experienced by Alberta credit unions in 2005 is reflected in the increasing size of the provincial liquidity portfolio. For the first time, the average size of the investment portfolio exceeded $1 billion for the year. This milestone represents growth in excess of 28% over the average portfolio balance for 2004. The investment portfolio is managed within policy guidelines designed to provide maximum liquidity while generating market returns from investment grade securities.

The volume of foreign exchange generated by Alberta credit unions has also grown over the past year. Alberta Central's treasury department continues to expand strategies to assist credit unions in

building their book of business through foreign exchange while minimizing the risk of dealing in these volatile and highly competitive markets. Over the course of the year, credit unions furthered their knowledge and use of the asset liability management process, and enjoyed the benefits of innovative investment solutions offered by the treasury department, such as Performance Centennial—a new market-indexed product developed for the RRSP campaign in recognition of the centennial anniversary of Alberta.

Lending Services

Alberta Central's lending department experienced a busy year in 2005. Central's loan program underwent a major change, including reduction of interest rates on lines of credit and introduction of a new program for term loans. These changes benefited all member credit unions.

Alberta Central's loan syndication program continues to be a successful and popular vehicle to help credit unions manage excess liquidity. In 2005, Central facilitated syndication with 16 credit unions, totaling $81 million.

Throughout the year, Central's lending department supported credit union operations with a number of other initiatives, including multiple training events, coordination of a system-wide enterprise risk management strategy, development of an on-line lenders' discussion forum, facilitation of Credit Union Lenders' Association work, and major updates to the manuals program.

Democracy and Communication

In November 2005, 175 credit union directors from Alberta and Saskatchewan took part in the Credit Union Directors' Conference in Red Deer to network with colleagues, attend informative and inspirational speaker sessions, and discuss current strategic issues affecting the credit union system. With delegate feedback overwhelmingly positive, the conference was a great success.

Celero Solutions

During its first three years of operation, Celero has made progress on moving forward its major initiatives in the areas of transaction switching and retail banking, and has continued to deliver on contractual operating service level commitments.

The key milestone in 2005 was the launch of the eroWORKS® retail banking platform to Celero's prairie credit union clients. eroWORKS® is built on The Complete Credit Union Solution®—the enterprise relational data processing platform of Open Solutions Inc., a North American provider of integrated enterprise-wide data processing technologies for the financial services industry. eroWORKS® represents a new generation in banking systems and will position Celero to effectively address the needs of Canadian credit unions, as well as the global shift within the industry to more open, relational technologies. The flexible, open structure of the new banking platform and its localized functionality makes it suitable for credit unions of different sizes and business complexity levels, and enables Celero to accommodate specific business needs of each individual client. It allows seamless integration with existing credit union technologies and addresses the system's current requirements while positioning credit unions to handle future growth and change.

The new banking system solution was enthusiastically received by Celero's clients, with the vast majority of credit unions in Alberta and Manitoba committing to convert to the new platform. Celero is currently working with its Saskatchewan clients, whose decision on the banking platform will be reached in the spring of 2006. The decision by credit unions to consolidate banking systems is a great achievement of the past year, as it moves Celero toward reaching its original goal—to provide information technology support more efficiently and effectively by rationalizing technology across the prairie credit union system.

As Celero partners with credit unions to further define its rationalized service offering, eroSERVE®—a complementary suite of services including email, application hosting, and network management—will be built. The focus for 2006 will be on streamlining the organization, its products, services, and delivery processes to ensure that Celero delivers the benefits for which it was formed.

Everlink Payment Services Inc.

Everlink was created to deliver transaction switching services to Canadian credit unions, banks, and independent service organizations of all sizes. Through its relationship with Everlink, Celero is able to provide its clients with a very cost effective rationalized switching solution, one of the major drivers for the formation of Celero.

Everlink was awarded rights to the national credit union switching businesses by Credit Union Central of Canada in May 2003. In 2005, Everlink took a major step forward in meeting its business plan with the closing of an asset purchase agreement, under which Everlink acquired CGI's Canadian electronic switching assets for $28 million. The transaction for this purchase was completed on December 31, 2005. The acquired assets include the Relay™ and CyberGateway™ switching services for Canadian credit unions, banks, and independent service organizations.

CU Electronic Transaction Services (CUETS)

The focus of 2005 was on growth and improvement for the card issuing and Integrated Support Services (ISS) business, and on completion of the Business Transformation for the merchant business, including conversion to the First Data Merchant Services (FDMS) system platform and the transition of merchant operational support to the Unified Network Payment Solutions (UNPS) partnership. Growth efforts concentrated on credit card portfolio performance improvements, acquisition of new accounts, and sourcing of new clients, with both credit union and ISS client opportunities being actively pursued. Improvement initiatives were targeted toward strengthening service consistency and service levels and improving customer satisfaction, while maintaining operational effectiveness. Stabilization efforts focused primarily on the transition of the merchant platform and operational support.

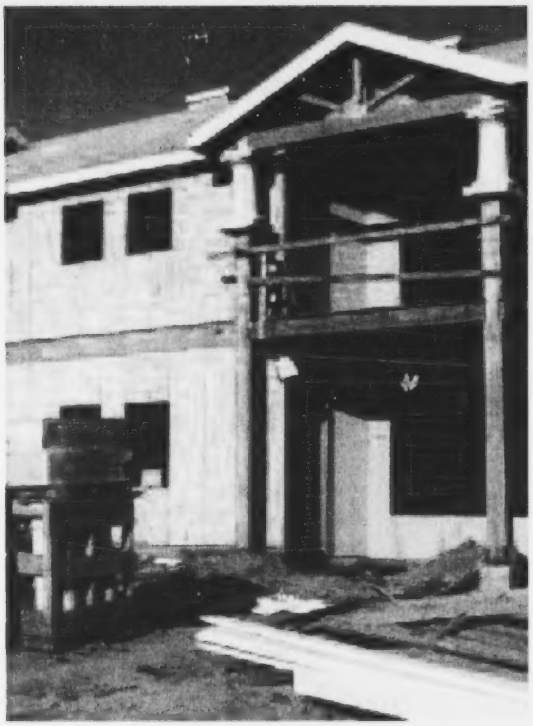
With 25 years of experience in providing proven card payment systems and industry recognized customer service programs, CUETS is keenly aware of the ever-evolving nature of financial services. The next step in the industry's evolution is the introduction of chip technology for credit and debit cards. In October 2005, CUETS announced its intention to implement and support chip technology

for its card products, and to offer a suite of chip card solutions and related services to its credit union partners. CUETS is highly committed to the expansion of chip cards in Canada. It participated on the national task force that created Canada's first chip card standards (Chip Card Migration Program), and has been involved in earlier chip card trials. CUETS is an active participant in Credit Union Central of Canada's Chip Card Strategy Task Force, which is focused on development of smart card strategies for the credit union system, and a member of several multilateral card industry committees engaged in laying the foundation for chip card migration in Canada.

As part of its strategy development, CUETS hosted a Chip Card Summit in Calgary in December 2005. A segment of credit unions, caisses populaires and provincial Centrals, as well as industry experts and representatives from Visa Canada, MasterCard Canada, and the Chip Card Strategy Task Force, attended the summit to discuss how chip card technology would influence the credit union system. The two day summit gave participants an opportunity to learn more about the technology, to discuss the challenges and opportunities that chip cards presented, and to offer feedback on CUETS' chip card strategy approach. Chip card technology development will continue to be a priority for CUETS in the years to come.

Credit Union Payment Services (CUPS)

In 2005, CUPS focused efforts toward effectively positioning credit unions for the Truncation and Electronic Cheque Presentment (TECP) project, a major initiative among direct clearers in Canada led by the Canadian Payments Association. Key achievements in this area included finalizing requirements to further develop the imaging application, establishing agreements with imaging vendors, and installing a new operating system and related software for TECP implementation. CUPS continues to investigate and evaluate various ancillary cheque image fraud detection services to offer credit unions and their clients within the TECP environment.



Throughout the year, CUPS continued to offer innovative and cost-competitive services to help credit unions differentiate themselves in the marketplace and gain a competitive position for the future. Projects undertaken by CUPS included implementation of an improved bar code reading system on CUPS' statement insertion equipment to provide greater security, quality and accuracy of statement processing, enhancements to the Customer Automated Funds Transfer (CAFT) and wire transfer services for additional features and flexibility, development and installation of an end-to-end solution for the processing of credit card balance transfer cheques, as well as support provided to several credit unions in amalgamation activities and banking system conversions.

In 2005, CUPS undertook a detailed review of all existing services and pricing, subsequently introducing several fee reductions for 2006 on electronic-based services. The new pricing structure provides clients with significant cost savings and will support credit unions in their market competitiveness, facilitating the generation of new business opportunities both within the credit union system and outside of it.

In 2006, CUPS will continue with efforts in support of TECP readiness, including preparation for back office changes and facilitation of internal and inter-financial institution testing activities scheduled for the next two years. Other new initiatives planned for 2006 include investigation and research of a distributed imaging and document management system and development of new Internet-based payment opportunities for credit unions. CUPS will continue to work in partnership with credit unions to identify and pursue new avenues for business and revenue generation, as well as to further develop an integrated relationship management approach with both credit unions and other corporate clients.

Alberta Credit Union System

The Alberta credit union system is comprised of 52 credit unions and Alberta Central. The system serves over 650,000 members through its 208 branches, a province-wide network of automated teller machines, and online banking. The Alberta credit union system had a solid year of growth, finishing the year with assets of $10.9 billion. The system's capital base experienced strong growth of nearly 16% in 2005, and its membership continued the trend of steady increase. Alberta credit unions demonstrated superior financial performance in 2005 by improving operating efficiency, staying true to their roots and maintaining a high level of member satisfaction.

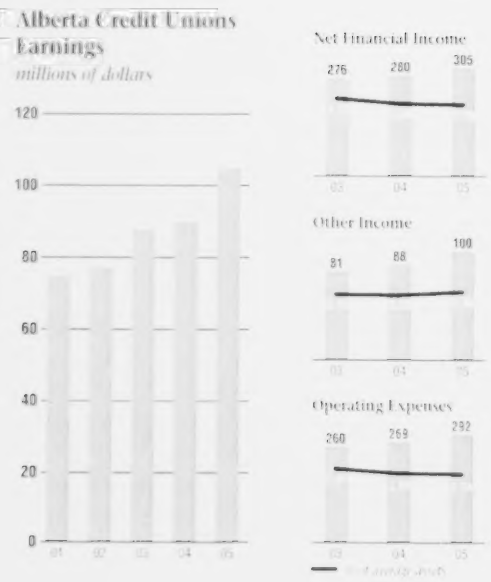
Alberta Credit Union Earnings

Credit unions achieved another record for operating results in 2005, reaching $105 million in earnings, compared to the previous year's record of $90 million. Credit union financial margin was 2.98% of average assets, slightly lower than the previous year. Other income increased to 0.98% of average assets. While operating costs were up by $23 million, growth in the system helped improve efficiencies, as the cost of operating expenses as a percentage of average assets declined from 2.88% in 2004 to 2.84% in 2005. Credit union allowances for loan losses decreased to 0.08% in 2005 from 0.10% in 2004. Total delinquency remained unchanged from the previous year, at 0.50%.

Chart 1

Alberta Credit Unions Earnings

millions of dollars



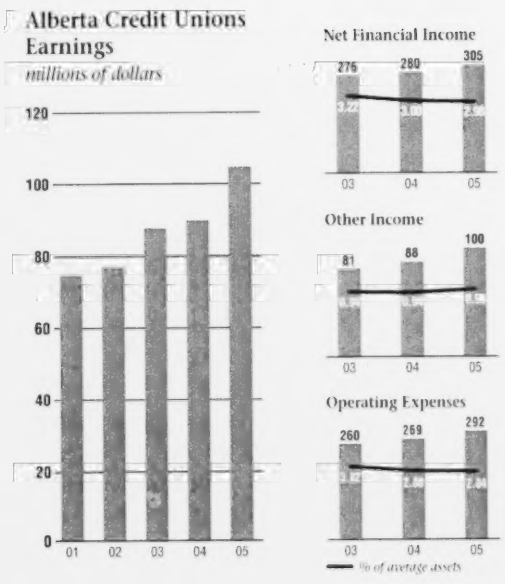
Alberta Credit Union System

The Alberta credit union system is comprised of 52 credit unions and Alberta Central. The system serves over 650,000 members through its 208 branches, a province-wide network of automated teller machines, and online banking. The Alberta credit union system had a solid year of growth, finishing the year with assets of $10.9 billion. The system's capital base experienced strong growth of nearly 16% in 2005, and its membership continued the trend of steady increase. Alberta credit unions demonstrated superior financial performance in 2005 by improving operating efficiency, staying true to their roots and maintaining a high level of member satisfaction.

Alberta Credit Union Earnings

Credit unions achieved another record for operating results in 2005, reaching $105 million in earnings, compared to the previous year's record of $90 million. Credit union financial margin was 2.98% of average assets, slightly lower than the previous year. Other income increased to 0.98% of average assets. While operating costs were up by $23 million, growth in the system helped improve efficiencies, as the cost of operating expenses as a percentage of average assets declined from 2.88% in 2004 to 2.84% in 2005. Credit union allowances for loan losses decreased to 0.08% in 2005 from 0.10% in 2004. Total delinquency remained unchanged from the previous year, at 0.50%.

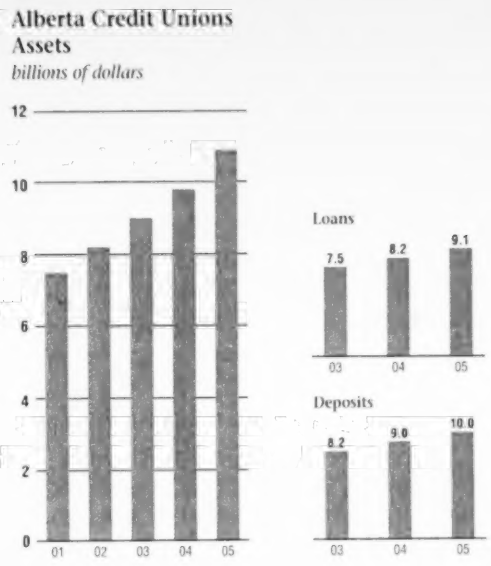
Chart 1



Credit Union Assets

Credit union assets grew by 11.0% reaching $10.9 billion as of October 31, 2005 (Chart 2). This strong result was achieved through solid deposit growth of 11.3%. Deposit growth of $1.02 billion exceeded loan growth of $933 million as system liquidity levels continued to improve. The largest loan growth occurred in the residential mortgage category, which grew by $446 million, or 10.5%. Residential mortgages represent 52% of total system loans. The most significant growth in deposits was in demand deposits, which increased $684 million (22.9%). The effect of actual deposit growth outpacing loan growth for credit unions was that total non-statutory deposits at Central increased by $175 million during the year.

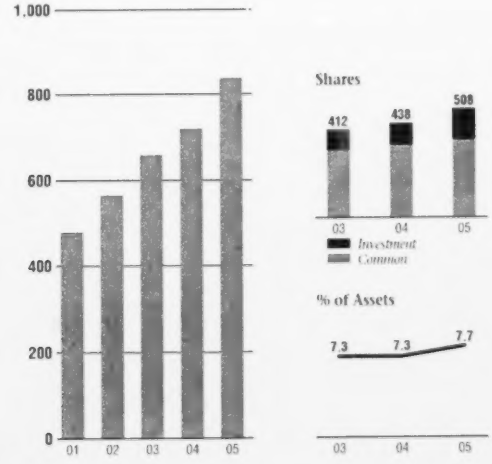
Chart 2



Credit Union Equity

The strong performance of Alberta credit unions in 2005 was also reflected in changes in equity. Total equity increased $113 million, from $721 million in 2004 to $834 million in 2005 (Chart 3). Equity at the end of 2005 amounted to 7.7% of total assets. The retained earnings component of equity increased $43 million to $325 million at the end of 2005.

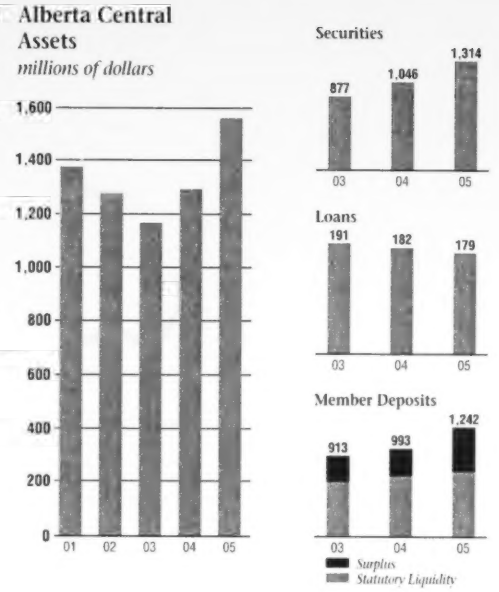
Chart 3



Alberta Central Assets

Alberta Central's assets increased in 2005, as credit unions were successful in building their retail deposit base. Assets closed the year at $1.58 billion up from $1.30 billion in 2004 (Chart 4). Improved credit union liquidity levels were the most significant contributor to the asset growth. The effect on Alberta Central's assets was an increase in total investments from $1.05 billion at the end of 2004 to $1.32 billion at the end of 2005. Total loans, on the other hand, decreased slightly from $182 million in 2004 to $179 million in 2005.

Chart 4

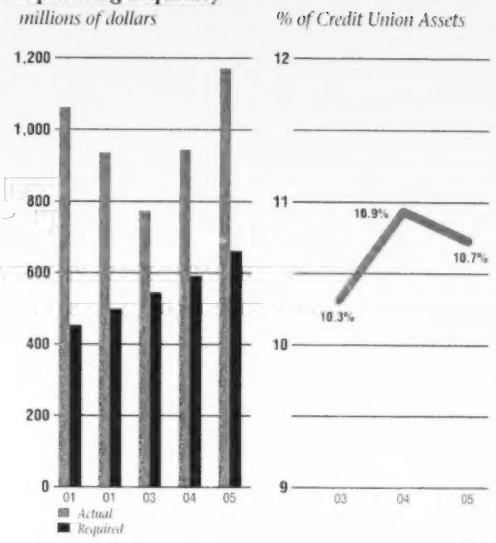


Operating Liquidity

The improvement in system liquidity translates to an increase in Alberta Central's liquidity as exhibited in Chart 5. Alberta Central monitors its liquidity level to ensure that the statutory requirement of liquid assets being at least 6% of credit union system assets is met, and that sufficient funds are in place to meet credit union members' clearing requirements. The statutory requirement was exceeded by $508 million at the end of 2005.

Chart 5

Alberta Central
Operating Liquidity

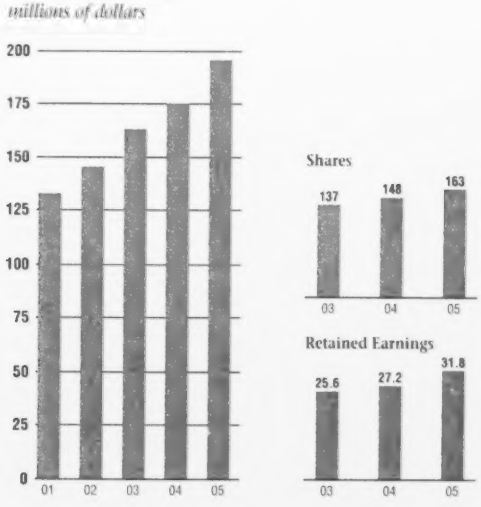


Members' Equity

Members' equity increased to $194 million at December 31, 2005 as compared to $175 million at the end of 2004 (Chart 6). The bulk of this growth was through common shares, which grew by $15 million in 2005. Credit unions are required to maintain 1.5% of previous year end assets in common shares. Retained earnings grew by $4.6 million to $31.8 million.

Chart 6

Alberta Central
Members' Equty

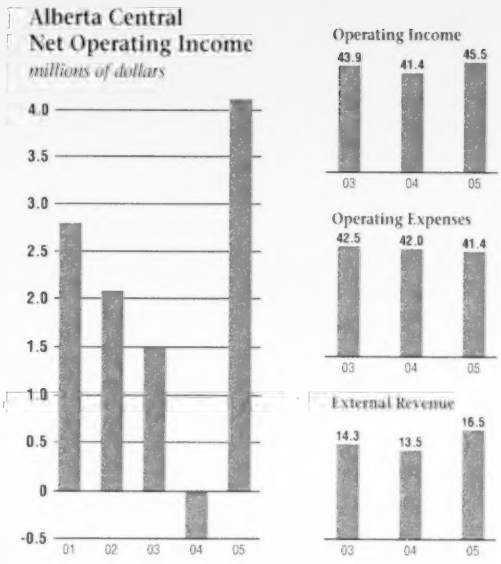


Net Operating Income

Alberta Central's operating revenues and expenses arise from Alberta Central's own operations plus its share of the operating revenues and expenses of its joint ventures. The goal of Alberta Central is to generate a positive position in net operations. The majority of Central's net operating results are now derived from the various joint ventures in which Central participates. Alberta Central's share of the following joint ventures is included in the consolidated results: CU Electronic Transaction Services, Credit Union Payment Services, and Celero Solutions.

In 2005, total operating revenue rose to $45.5 million from $41.4 million in 2004, and total operating expenses of $41.4 were down from the previous year of $42.0 million. Net operations rebounded very nicely in 2005 to show a positive result of $4.1 million. Strong financial performance of the joint ventures contributed to the rise in total operating revenue for Central in 2005.

Chart 7

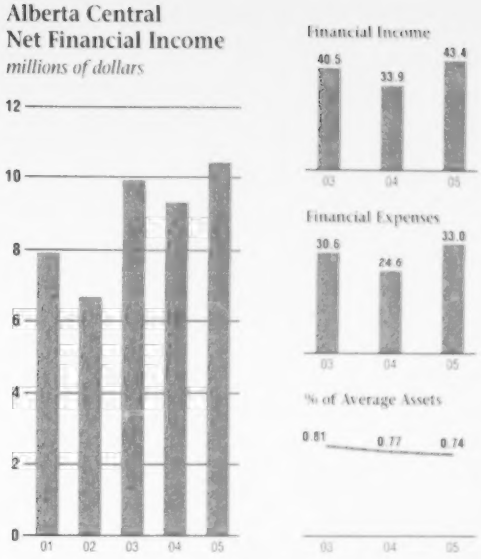


Net Financial Income

The average prime interest rate increased by 39 basis points in 2005, and the average three month Bankers Acceptance rate was approximately 51 basis points higher in 2005. The rise in interest rates, along with growth in the investment portfolio balance, contributed to the higher level of income and expenses in 2005 as shown in Chart 8. Net financial income before provisions increased from $9.3 million in 2004 to $10.4 million in 2005.

Chart 8

Alberta Central
Net Financial Income
millions of dollars

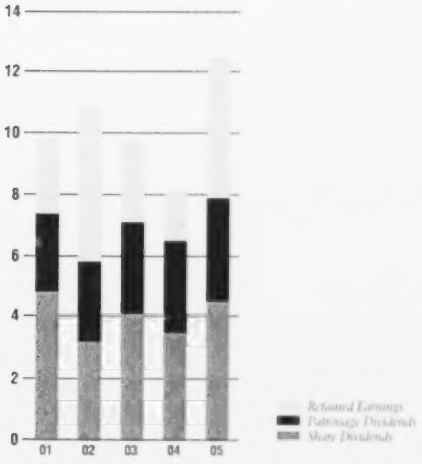


Earnings and Distributions

Chart 9 provides a history of Alberta Central's earnings and dividend distributions over the last five years. The changes in the common share dividends are a function of changes in the prime rate along with changes in common share balances, with changes in prime being the more significant factor. Share dividends for 2005 are $4.5 million. In the last five years share dividends have totalled $20.2 million. The patronage allocation for 2005 was a record $3.3 million and represents a rebate of 6.6% on all products and services credit unions purchased from Alberta Central, plus a bonus of 6.0 basis points on deposits and a rebate of 6.0 basis points on loans. In the last five years patronage dividends have totalled $14.5 million. The combination of share and patronage dividends represents 68% of total earnings for the last five years.

Chart 9

Alberta Central
Earnings Distribution
millions of dollars



Alberta Central
2005 Consolidated Financial Statements

Page 19	Management's Responsibility for Financial Reporting
Page 20	Auditors' Report
Page 21	Consolidated Balance Sheet
Page 22	Consolidated Statement of Earnings and Retained Earnings
Page 23	Consolidated Statement of Cash Flows
Page 24	Notes to the Consolidated Financial Statements

Management's Responsibility for Financial Reporting

The financial statements of Credit Union Central Alberta Limited (Alberta Central) were prepared by management, who are responsible for the integrity and fairness of the data presented. Generally accepted accounting principles have been applied and management has exercised its judgement and made best estimates where deemed appropriate. Financial information appearing throughout this annual report is consistent with the financial statements.

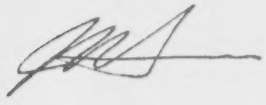
Alberta Central's accounting and related financial controls are designed, and supporting procedures maintained, to provide reasonable assurance that the financial records are complete and accurate, and that assets are safeguarded against loss from unauthorized use or disposition. These supporting procedures include the careful selection and training of qualified staff, the establishment of organizational structures providing a well-defined division of responsibilities and accountability for performance, and the communication of policies and guidelines of business throughout Alberta Central. The system of internal controls is further supported by a professional staff of internal auditors who conduct periodic inspections of all aspects of Alberta Central's operations.

Both the federal and provincial regulators of financial institutions conduct examinations and make such enquiries into the affairs of Alberta Central as they may deem necessary to satisfy themselves that the provisions of the appropriate legislation are being duly observed and that Alberta Central is in sound financial condition.

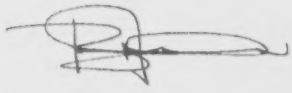
The Audit and Finance Committee of the Board of Directors, composed entirely of outside Directors, reviews the financial statements before such financial statements are approved by the Board of Directors and submitted to the members of Alberta Central. The Committee reviews the audit plans of the internal and external auditors, the results of their audits and management's response to any identified recommendations for improvements in internal control. The Committee is also responsible for recommending the appointment of the external auditors to the Board of Directors.

PricewaterhouseCoopers LLP, the independent auditors, have examined the financial statements of Alberta Central in accordance with generally accepted auditing standards and have expressed their opinion upon completion of such examination in the following report to the members. The auditors have full access to, and meet periodically with, the Audit and Finance Committee to discuss audit matters.

February 3, 2006



J. R. Scopick
President &
Chief Executive Officer



B. J. Johnson
Executive Vice-President

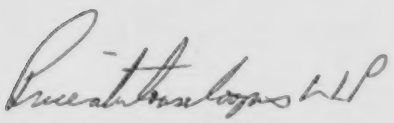
Auditors' Report

To the Members of
Credit Union Central Alberta Limited

We have audited the consolidated balance sheet of Credit Union Central Alberta Limited (Alberta Central) as at December 31, 2005 and the consolidated statements of earnings and retained earnings and cash flows for the year then ended. These consolidated financial statements are the responsibility of Alberta Central's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Alberta Central as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles in Canada.



Chartered Accountants

Calgary, Alberta

February 3, 2006

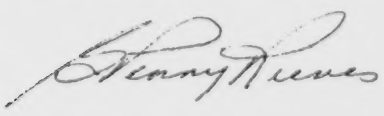
Consolidated Balance Sheet

December 31 *(thousands of dollars)*	2005	2004
ASSETS		
Cash and items in transit	$ 50,459	$ 24,100
Securities (Note 2)	1,323,921	1,051,998
Accounts receivable	10,567	26,500
Loans (Note 3)	179,059	182,336
Capital assets (Note 4)	8,575	9,503
Other assets	3,274	1,806
	$ 1,575,855	$ 1,296,243
LIABILITIES		
Accounts payable and accrued liabilities	$ 37,813	$ 36,297
Members' deposits (Note 5)	1,251,259	998,698
Loans and notes payable (Note 6)	92,438	86,286
	1,381,510	1,121,281
MEMBERS' EQUITY		
Common share capital (Note 9)	162,513	147,732
Retained earnings	31,832	27,230
	194,345	174,962
	$ 1,575,855	$ 1,296,243

Commitments (Note 15)

See accompanying notes.

Signed on behalf of the Board



G. Penny Reeves, Chair

Rene Dumas, First Vice Chair

Consolidated Statement of Earnings and Retained Earnings

Year ended December 31 *(thousands of dollars)*	2005	2004
Financial income		
Interest on securities	$ 37,155	$ 27,084
Interest on loans	6,247	6,785
	43,402	33,869
Financial expenses		
Interest on members' deposits	31,539	23,359
Interest on loans and notes	1,469	1,229
	33,008	24,588
Net financial income before provision for losses	10,394	9,281
Provision for (recovery of) credit and investment losses	–	(249)
Net financial income	10,394	9,530
Operating income (Note 11)	45,484	41,380
Operating expenses (Note 11)	41,381	42,007
Net operating income (loss)	4,103	(627)
Earnings before patronage dividends and income taxes	14,497	8,903
Patronage dividends (Note 13)	3,339	3,000
Earnings before income taxes	11,158	5,903
Income taxes (Note 14)		
Current income tax expense	3,289	1,258
Future income tax expense (recovery)	(275)	270
	3,014	1,528
Earnings for the year	8,144	4,375
Retained earnings, beginning of year	27,230	25,629
	35,374	30,004
Share dividends (Note 13)	(4,485)	(3,514)
Recovery of income tax on share dividends	943	740
Retained earnings, end of year	$ 31,832	$ 27,230

See accompanying notes.

Consolidated Statement of Cash Flows

Year ended December 31 *(thousands of dollars)*	2005	2004
Cash resources provided by (used in):		
Operating activities		
Earnings for the year	$ 8,144	$ 4,375
Items not affecting cash:		
Depreciation and amortization	3,161	3,498
Future income tax expense (recovery)	(275)	270
Provision for (recovery of) credit and investment losses	–	(249)
	11,030	7,894
Changes in non-cash operating components		
Accounts receivable	15,933	(6,270)
Other assets	(1,193)	138
Accounts payable and accrued liabilities	1,516	17,288
	27,286	19,050
Financing activities		
Increase in members' deposits	252,561	80,271
Increase in loans and notes payable	6,152	26,284
Issuance of share capital, net of redemptions	14,781	10,561
Payment of share dividends	(4,485)	(3,514)
Reduction of income tax on payment of share dividends	943	740
	269,952	114,342
Investing activities		
Decrease (increase) in securities	(276,089)	101,262
Decrease in loans	3,277	8,240
Acquisition of capital assets	(2,233)	(2,562)
	(275,045)	106,940
Increase in cash resources	22,193	240,332
Cash resources, beginning of year	543,737	303,405
Cash resources, end of year	$ 565,930	$ 543,737
Cash resources consist of:		
Cash	$ 22,960	$ 12,642
Cheques and other items in transit	27,499	11,458
Securities maturing within three months	515,471	519,637
	$ 565,930	$ 543,737

See accompanying notes.

Notes to the Consolidated Financial Statements

December 31, 2005

1. Significant accounting policies

The financial statements of Credit Union Central Alberta Limited (Alberta Central) have been prepared in accordance with generally accepted accounting principles in Canada including the accounting requirements of the Superintendent of Financial Institutions Canada and Alberta Finance. The financial statements include the accounts of Alberta Centr l and its proportionate share in the assets, liabilities, revenues and expenses of its joint ventures, and reflec following policies, which conform, in all material respects to Canadian generally accepted accounting princip s:

a) Securities and loans

Securities and loans are stated at cost, less any provision for losses. Discounts or premiums on purchase of securities are amortized over their remaining term. Gains and losses on disposal of securities are included in income in the year in which they occur.

b) Provision for losses

Alberta Central maintains allowances for impairment to absorb losses in its securities and loan portfolios. These allowances are determined by regular management reviews of each security and loan to identify impairment. Specific allowances are recorded to reduce the carrying amount of securities and loans to their estimated realizable values. Estimated realizable amounts are determined by discounting the expected future cash flows at the effective interest rate inherent in the securities and loans. When the amounts and timing of future cash flows cannot be reliably established, estimated realizable values are determined by reference to the fair value of any underlying security or market price for loans and securities. In addition, a non-specific allowance based on an overall evaluation of risk in the loan portfolio is made in recognition that not all losses can be identified on an item-by-item basis.

c) Equity investment

Alberta Central uses the equity method to account for an investment over which it exercises significant influence. Under this method, Alberta Central's share of the net earnings (loss) of the investment is recorded in net operating income (loss). The book value of the investment is adjusted for the share of earnings and distributions received from the investee. Investments are written down to recognize losses in the value of the investment that are other than temporary.

d) Depreciation and amortization

Capital assets are depreciated on a straight-line basis over periods ranging from three to ten years.

e) Income taxes

Alberta Central follows the liability method of accounting for income taxes. Under this method, future tax assets and liabilities are recognized for the tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. The future tax assets and liabilities are calculated using substantively enacted tax rates that will be in effect when the differences are expected to reverse.

1. Significant accounting policies (continued)

f) Derivatives

Derivatives are used to manage Alberta Central's exposure to interest rate risks associated with on-balance sheet financial instruments. Effective January 1, 2004, Alberta Central adopted a new accounting guideline for hedging relationships, issued by the Canadian Institute of Chartered Accountants. The guideline establishes certain qualifying conditions for the use of hedge accounting, which are more stringent and formalized than prior standards. Alberta Central formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. Alberta Central also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. Gains and losses from derivatives are recognized in earnings in the same period as income or expense from the hedged position.

g) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the period. Actual results could differ from those estimates.

h) Variable interest entities

Effective January 1, 2005, Alberta Central adopted the Canadian Institute of Chartered Accountants ("CICA") Accounting Guideline 15 ("AcG 15") "Consolidation of Variable Interest Entities" ("VIEs") which provides guidance for applying the principles in CICA Handbook Section 1590 "Subsidiaries" to VIEs. AcG 15 defines a VIE as an entity which either does not have sufficient equity at risk to finance its activities without additional subordinated financial support or where the holders of equity at risk lack the characteristics of a controlling financial interest. AcG 15 defines the Primary Beneficiary as the entity that is exposed to a majority of the VIE's expected losses or is entitled to a majority of the VIE's expected residual returns, or both. The Primary Beneficiary is required to consolidate the VIE.

As a result of applying AcG 15, it was determined that CUETS, one of Alberta Central's proportionately consolidated joint ventures, is the primary beneficiary of CUETS Acquiring Inc., an entity which had previously not been consolidated with CUETS. Alberta Central has adopted the provisions of AcG 15 without restatement of prior periods.

2. Securities

(thousands of dollars)	2005	2004
Government	$ 278,229	$ 97,684
Corporate	1,028,688	937,324
Credit Union Central of Canada	3,682	3,634
Mortgage pooling funds	3,598	7,025
	1,314,197	1,045,667
Accrued interest receivable	9,724	6,331
	$ 1,323,921	$ 1,051,998

In accordance with the National Liquidity Fund Agreement, $198,219 (2004 – $190,405) of these investments are maintained in a segregated safekeeping account.

Alberta Central has a contractual obligation to provide capital and liquidity support for credit card receivables held by Concentra Financial Services Association. As at December 31, 2005, $89,000 (2004 – $63,167) of the above investments were made under this agreement.

3. Loans

(thousands of dollars)	2005	2004
Credit unions	$ 80,904	$ 78,298
Cooperatives	1,169	6,331
Commercial loans and mortgages	71,121	78,001
Celero Solutions (Note 8)	17,904	9,918
Employee mortgages	8,211	10,009
	179,309	182,557
Less: non-specific allowance	(615)	(615)
	178,694	181,942
Accrued interest receivable	365	394
	$ 179,059	$ 182,336

4. Capital assets

(thousands of dollars)			2005	2004
	Cost	Accumulated depreciation	Net book value	Net book value
Equipment	$ 5,088	$ 4,226	$ 862	$ 1,315
Operating software and development costs	14,606	8,818	5,788	6,375
Leasehold improvements	4,683	3,796	887	931
Furniture and fixtures	2,877	1,839	1,038	882
	$ 27,254	$ 18,679	$ 8,575	$ 9,503

5. Members' deposits

(thousands of dollars)	2005	2004
Current accounts and demand deposits	$ 77,750	$ 50,725
Money market deposits	424,422	277,268
Statutory liquidity deposits	740,273	665,217
	1,242,445	993,210
Accrued interest payable	8,814	5,488
	$ 1,251,259	$ 998,698

6. Loans and notes payable

(thousands of dollars)	2005	2004
Credit Union Central of Canada	$ 39,499	$ 11,037
Credit Union Central of Saskatchewan	–	2,201
Commercial paper	52,939	73,048
	$ 92,438	$ 86,286

6. Loans and notes payable (continued)

Alberta Central has entered into an agreement with Credit Union Central of Canada for a line of credit to a maximum of $50 million. Pursuant to the terms of the National Liquidity Fund Agreement, Alberta Central is obliged to provide a general security interest over Alberta Central's property on demand by Credit Union Central of Canada to secure this line of credit. Amounts are due on demand and bear interest at the bank rate less .25% per annum.

Alberta Central is authorized to issue commercial paper to a maximum of $150 million.

7. Joint ventures

Alberta Central has interests in joint ventures as follows:

- CU Electronic Transaction Services – 50%, a credit card processing entity (see note 1h)
- Credit Union Payment Services – 50%, a payment processing entity

Alberta Central's proportionate share of its investments in joint ventures before inter-entity eliminations is summarized below:

(thousands of dollars)	2005	2004
Balance Sheet:		
Cash	$ 16,158	$ –
Securities	11,234	11,167
Accounts receivable	5,190	16,843
Loans	1,833	543
Capital assets	6,305	7,236
Other assets	1,968	886
	$ 42,688	$ 36,675
Accounts payable and accrued liabilities	$ 24,009	$ 21,572
Loans and notes payable	11,234	12,903
Equity	7,445	2,200
	$ 42,688	$ 36,675
Statement of Earnings:		
Operating income	$ 37,766	$ 31,954
Operating expenses	30,062	30,116
Earnings for the year	$ 7,704	$ 1,838
Statement of Cash Flows:		
Cash flows resulting from (used in):		
Operating activities	$ 19,181	$ 2,560
Financing activities	(2,428)	(3,177)
Investing activities	609	(481)
Increase (decrease) in cash resources	$ 17,362	$ (1,098)

8. Equity investment

(thousands of dollars)

Alberta Central has a 33.4% direct interest in Celero Solutions (Celero) which was formed effective January 1, 2003 as a joint venture of Alberta Central and various other cooperative entities for the purpose of providing information technology services. While Celero is legally structured as a joint venture, it does not qualify as such for accounting purposes. Accordingly, Alberta Central accounts for its investment in Celero on the equity basis. Alberta Central has a further 8.5% indirect interest in Celero through its participation in the CUETS joint venture (note 7).

Celero's operations are funded by loans from its owners (note 3) bearing interest at the prime rate. During the year, Celero paid a $3,500 deposit under the terms of a *Software License Agreement* for banking system platform licensing rights and maintenance. This deposit and other costs incurred related to the banking system platform will be recovered from participating credit unions. The loan due from Celero (note 3) includes $1,667 (2004 – nil) advanced by Alberta Central to Celero in respect of the deposit and other banking system costs.

During the year, Alberta Central also advanced loans of $5,954 (2004 – nil) to Celero, representing its 41.9% proportionate share of Celero's cost of an acquisition of switching assets by Celero's 49% subsidiary, Everlink Payment Services Inc. Alberta Central is liable in proportion to its indirect interest in Everlink, for all of Everlink's covenants and obligations under the *Asset Purchase Agreement* and ancillary agreements relating to the purchase transaction. Alberta Central has entered into financing agreements with Everlink, consisting of a line of credit to a maximum of $2,000 and an authorized overdraft facility to a maximum of $6,500. Celero has provided a guarantee on these agreements in proportion to its interest in Everlink. At December 31, 2005 there were no draws against the line of credit or the authorized overdraft facility.

At December 31, 2005, Alberta Central had a receivable of $8 from Celero (2004 – $271 payable to Celero) in respect of operating activities. Alberta Central's share of Celero's operating loss for the year ended December 31, 2005 amounted to $1,945 (2004 – $209) and is included in net operating income (loss).

9. Common share capital

Authorized – unlimited number at $5 per share.

Issued and outstanding – 32,502,600 shares (2004 – 29,546,400).

(thousands of dollars)	2005	2004
Balance, beginning of the year	$ 147,732	$ 137,171
Issued	14,782	10,567
Redeemed	(1)	(6)
Balance, end of the year	$ 162,513	$ 147,732

Alberta Central's bylaws require member credit unions to maintain common share capital in Alberta Central in an amount equal to one and one half percent (1.5%) of each credit union's assets as at the end of the credit union's most recent fiscal year.

10. Interest rate sensitivity

(thousands of dollars)

	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 3 Years	3 to 5 Years	Non-Interest Sensitive	Total
Assets							
Cash resources	$ 20,844	$ –	$ –	$ –	$ –	$ 29,615	$ 50,459
Securities	950,465	66,424	288,781	1,129	8,472	8,650	1,323,921
Loans	115,396	15,302	20,658	23,514	4,436	(247)	179,059
Other assets	24	23	–	–	–	22,369	22,416
	$ 1,086,729	$ 81,749	$ 309,439	$ 24,643	$ 12,908	$ 60,387	$ 1,575,855
Weighted average interest rate	3.42%	3.38%	3.37%	5.11%	2.56%		3.29%
Liabilities & members' equity							
Members' deposits	$ 722,374	$ 137,210	$ 340,155	$ 5,175	$ 4,000	$ 42,345	$ 1,251,259
Loans and notes payable	92,223	–	–	–	–	215	92,438
Other liabilities	–	–	–	–	–	37,813	37,813
Members' equity	162,513	–	–	–	–	31,832	194,345
	$ 977,110	$ 137,210	$ 340,155	$ 5,175	$ 4,000	$ 112,205	$ 1,575,855
Weighted average interest rate	3.07%	2.85%	3.17%	4.31%	4.07%		2.86%
Total interest rate sensitivity gap	$ 109,619	$ (55,461)	$ (30,716)	$ 19,468	$ 8,908	$ (51,818)	$ –
Cumulative interest rate sensitivity gap	$ 109,619	$ 54,158	$ 23,442	$ 42,910	$ 51,818	$ –	$ –

Alberta Central uses gap analysis and simulation modeling to monitor and manage interest rate risk. Gap analysis measures the difference between the amount of assets and liabilities that reprice in a particular time period.

Alberta Central's interest rate sensitivity position as at December 31, 2005, as presented above, is based upon the contractual repricing and maturity dates of assets and liabilities. The table shows the cumulative gaps at various intervals.

(thousands of dollars)	2005		2004	
	Book Value	**Fair Value**	Book Value	Fair Value
Securities	**$ 1,323,921**	**$ 1,320,611**	$ 1,051,998	$ 1,049,566
Loans	**179,059**	**179,830**	182,336	183,885
Members' deposits	**1,251,259**	**1,249,798**	998,698	999,364
Loans and notes payable	**92,438**	**92,435**	86,286	86,286

Estimated fair value represents the value of these instruments based on interest rates in effect at the balance sheet date.

11. Operating income and operating expenses

(thousands of dollars)	2005	2004
Operating income		
Financial services	$ 9,072	$ 11,132
Credit card processing	29,447	23,945
Member dues	2,882	2,740
Other	4,083	3,563
	$ 45,484	$ 41,380
Operating expenses		
Personnel	$ 21,317	$ 21,967
Property and equipment	4,440	4,437
Administration and other	13,799	13,757
Organization	1,825	1,846
	$ 41,381	$ 42,007

12. Off-balance sheet financial instruments

(thousands of dollars)	2005	2004
Financial instruments whose contract could represent credit risk:		
Commitments to extend credit	$ 863,083	$ 834,216
Standby letters of credit and financial guarantees	5,251	3,507
Financial instruments whose notional amounts do not represent credit risk:		
For own account	$ 8,000	$ 20,835
As intermediary	813,021	832,186

Alberta Central has entered into a foreign exchange agreement for its own account to swap US $200 (2004 – nil) for Cdn $231 (2004 – nil) effective January 27, 2006.

Settlement of Alberta Central's financial instruments held for its own account at year end would result in a net receivable of $2,096 (2004 – $3,238).

13. Dividends

(thousands of dollars)

Share capital dividends of $4,485 (2004 – $3,514) were calculated using members' minimum monthly common share capital account balances and the average monthly prime interest rate less 1.50%.

Patronage dividends of $3,339 (2004 – $3,000) were calculated using a formula based on the usage of products and services provided by Alberta Central and its joint ventures.

14. Income taxes

The combined federal and provincial statutory income tax rate applicable to Alberta Central is 21.04% (2004 – 21.04%). Income taxes calculated at the statutory rate differ from the provision included in the statement of earnings for the following reasons:

(thousands of dollars)	2005	2004
Income taxes at the statutory rate	$ 2,348	$ 1,242
Increase in income taxes resulting from:		
Tax on large corporations	120	189
Tax not recognized on loss from subsidiary of equity investment	175	93
Other	371	4
Provision for income taxes	$ 3,014	$ 1,528

15. Commitments

(thousands of dollars)

Alberta Central has the following operating lease commitments for premises:

2006	$ 3,037
2007	2,792
2008	2,705
2009	2,705
2010	2,705
2011	2,705
	$ 16,649

16. Pension plans

(thousands of dollars)

Alberta Central has established an unfunded, retirement income plan for executive management which provides a supplementary pension benefit. The projected benefit obligation which is based on actuarial calculations updated every three years, amounted to $1,603 at December 31, 2005 (2004 – $1,116) and has been provided for by annual charges to earnings.

Alberta Central contributes annually to a defined contribution pension plan for employees. The annual pension expense of $797 (2004 – $733) is included in personnel expense.

17. Directors' remuneration

(thousands of dollars)	2005	2004
Remuneration paid to directors	$ 135	$ 135
Expenses paid on behalf of directors	99	108
	$ 234	$ 243

Alberta Central Five Year Review

BALANCE SHEET

As at December 31

(thousands of dollars)	2005	2004	2003	2002	2001
Assets					
Cash and securities	$1,374,380	$ 1,076,098	$ 936,779	$ 1,101,367	$ 1,230,576
Loans	179,059	182,336	190,576	126,757	95,828
Other	22,416	37,809	32,883	46,099	47,595
Total Assets	$1,575,855	$ 1,296,243	$ 1,160,238	$ 1,274,223	$ 1,373,999
Liabilities and Equity					
Deposits and notes	$1,343,697	$ 1,084,984	$ 978,429	$ 1,103,728	$ 1,216,078
Other	37,813	36,297	19,009	24,386	25,021
Equity	194,345	174,962	162,800	146,109	132,900
Total Liabilities and Equity	$1,575,855	$ 1,296,243	$ 1,160,238	$ 1,274,223	$ 1,373,999

STATEMENT OF EARNINGS AND RETAINED EARNINGS

For the years ended December 31

(thousands of dollars)	2005	2004	2003	2002	2001
Financial income	$ 43,402	$ 33,869	$ 40,492	$ 36,956	$ 56,522
Financial expenses	33,008	24,588	30,635	30,383	48,579
Net financial income before provision for losses	10,394	9,281	9,857	6,573	7,943
Provision for credit and investment losses	–	(249)	330	100	138
Net financial income	10,394	9,530	9,527	6,473	7,805
Operating income	45,484	41,380	43,940	59,748	50,077
Operating expenses	41,381	42,007	42,453	57,688	47,285
Net operating income	4,103	(627)	1,487	2,060	2,792
Earnings before gain on sale	14,497	8,903	11,014	8,533	10,597
Gain on sale	–	–	–	3,875	–
Earnings before patronage dividends and income taxes	14,497	8,903	11,014	12,408	10,597
Patronage dividends	3,339	3,000	3,000	2,620	2,563
Earnings before income taxes	11,158	5,903	8,014	9,788	8,034
Income taxes	3,014	1,528	2,103	2,200	1,868
Earnings for the year	8,144	4,375	5,911	7,588	6,166
Retained earnings, beginning of year	27,230	25,629	22,909	17,770	15,233
	35,374	30,004	28,820	25,358	21,399
Share dividends	(4,485)	(3,514)	(4,141)	(3,196)	(4,820)
Recovery of income taxes on share dividends	943	740	950	747	1,191
Retained earnings, end of year	$ 31,832	$ 27,230	$ 25,629	$ 22,909	$ 17,770

Alberta Credit Unions Five Year Review

BALANCE SHEET

As at October 31
(millions of dollars)

	2005	2004	2003	2002	2001
Assets					
Cash and securities	$ 1,631	$ 1,512	$ 1,400	$ 1,476	$ 1,651
Loans	9,090	8,153	7,467	6,568	5,681
Other	197	178	164	145	123
	10,918	9,843	9,031	8,189	7,455
Liabilities and Equity					
Member deposits and borrowings	$ 10,018	$ 9,067	$ 8,334	$ 7,592	$ 6,941
Other	66	55	39	34	34
Equity	834	721	658	563	480
	$ 10,918	$ 9,843	$ 9,031	$ 8,189	$ 7,455

STATEMENT OF EARNINGS AND RETAINED EARNINGS

For the years ended October 31
(millions of dollars)

	2005	2004	2003	2002	2001
Financial income	$ 525	$ 491	$ 489	$ 449	$ 485
Financial expenses	220	211	213	198	251
Net financial income before provisions	305	280	276	251	234
Provision for losses	8	9	10	8	6
Net financial income	297	271	266	243	228
Other income	100	88	81	73	66
Gross margin	397	359	347	316	294
Operating expenses	292	269	260	239	218
Earnings before patronage dividends and income taxes	105	90	87	77	76
Patronage dividends	25	21	21	20	22
Earnings before income taxes	80	69	66	57	54
Income taxes	20	16	15	13	13
Earnings for the year	60	53	51	44	41
Retained earnings, beginning of year	282	247	211	181	161
Share dividends and redemptions	(22)	(20)	(17)	(17)	(26)
Recovery of income taxes	5	2	2	3	5
Retained earnings, end of year	$ 325	$ 282	$ 247	$ 211	$ 181

STATISTICAL

	2005	2004	2003	2002	2001
Members	651,843	638,499	636,973	623,112	587,705
Staff (FTE)	2,723	2,633	2,589	2,489	2,385
Branches	208	205	201	196	197
ATMs	239	228	224	204	198

AlbertaCentral
Board of Directors

G. Penny Reeves
Region A
Chair

Rene Dumas
Region D
First Vice Chair

Rod Banman
Region B
Second Vice Chair

Nigel Teucher
South Region
Secretary

Randy Harper
Region C
Fifth Executive
Committee Member

Marcel Chorel
South Region

Ray Coates
North Region

Terry Cooper
Region C

Cam Durham
North Region

Bruno Friesen
Region B

Dave Munro
North Region

Greg Nail
South Region

Bill Purdy
Region A

AlbertaCentral

Executive Management

Jim Scopick
President & CEO

Barry Johnson
Executive
Vice President

Graham Wetter
Senior Vice President &
General Counsel

Don Gregorski
Vice President,
Payment Services

Paul Rossmann
Vice President,
Administration

Dick Williams
Vice President,
Financial Services

Management Team

Pat Dolan
Assistant Vice President, Treasury

Anne Gillespie
Assistant Vice President
& Controller

Susan Greenaway
Corporate Secretary

Judy Hammond
Assistant Vice President,
Payment Services

Mark McLeod
Assistant Vice President,
Audit Services

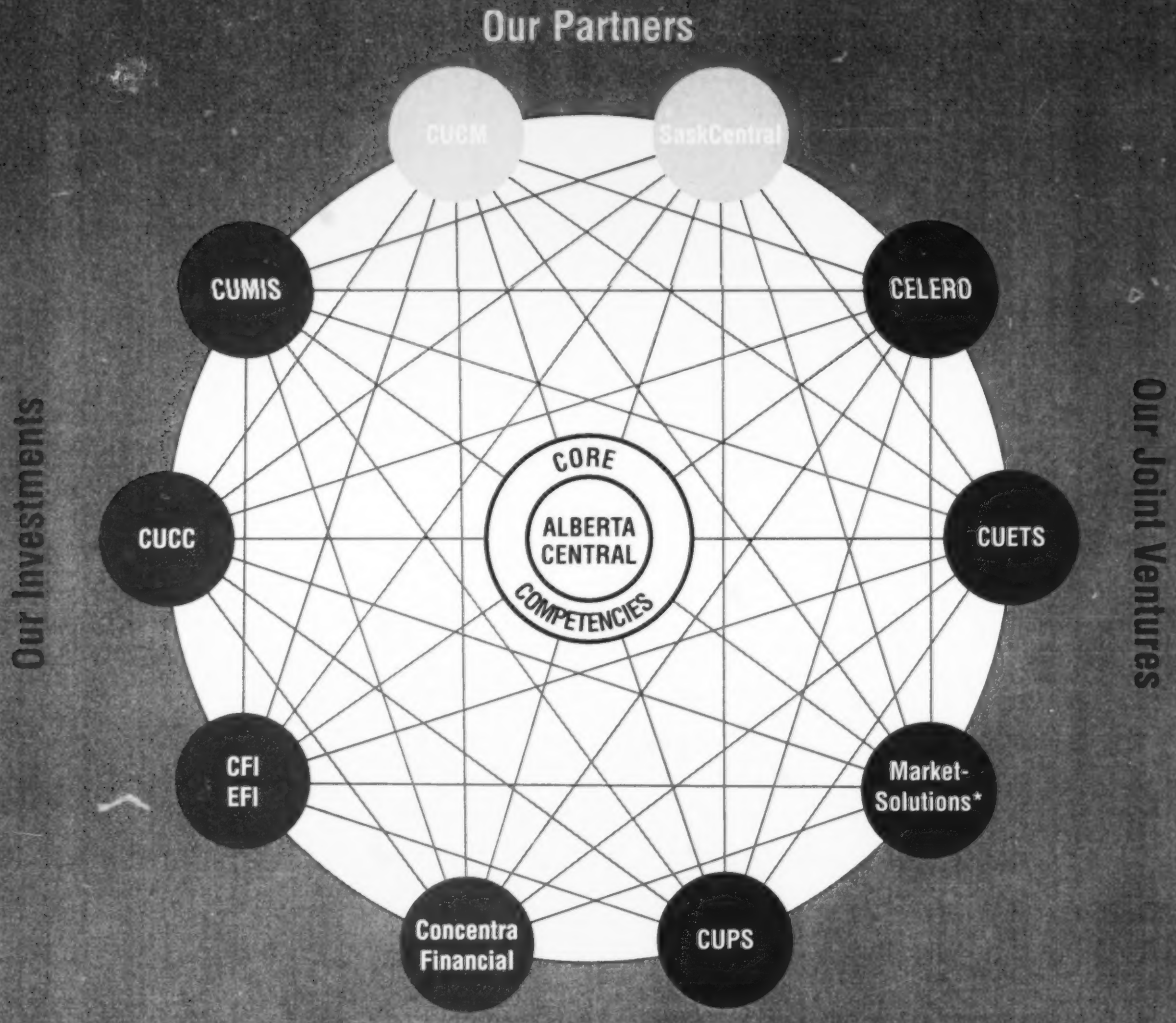
Karen Niven
Assistant Vice President,
Electronic Payments

Working Together

The key to our continued success lies in our ability to recognize and develop our core competencies while forging strategically sound and mutually beneficial alliances with knowledgeable and dedicated partners. This strategy allows us to offer integrated and sophisticated service solutions to the credit union system and to remain responsive to the rapidly evolving needs of credit unions and their members.

* MarketSolutions – formerly the CUOS joint venture.

Alberta Central is more than what you see on the surface. Together with our partners, our joint ventures, and the companies we invest in, we form a significant virtual entity—an integrated financial product and services network dedicated to the success of credit unions. All nodes of the network are resourced with specialized knowledge and expertise, allowing Central and its strategically linked partners to maintain their focus on what they do best: delivering innovation and the highest value of services to credit unions.



*** MarketSolutions – formerly the CUOS joint venture.**

Alberta Central is more than what you see on the surface. Together with our partners, our joint ventures, and the companies we invest in, we form a significant virtual entity—an integrated financial product and services network dedicated to the success of credit unions. All nodes of the network are resourced with specialized knowledge and expertise, allowing Central and its strategically linked partners to maintain their focus on what they do best: delivering innovation and the highest value of services to credit unions.

Working Together

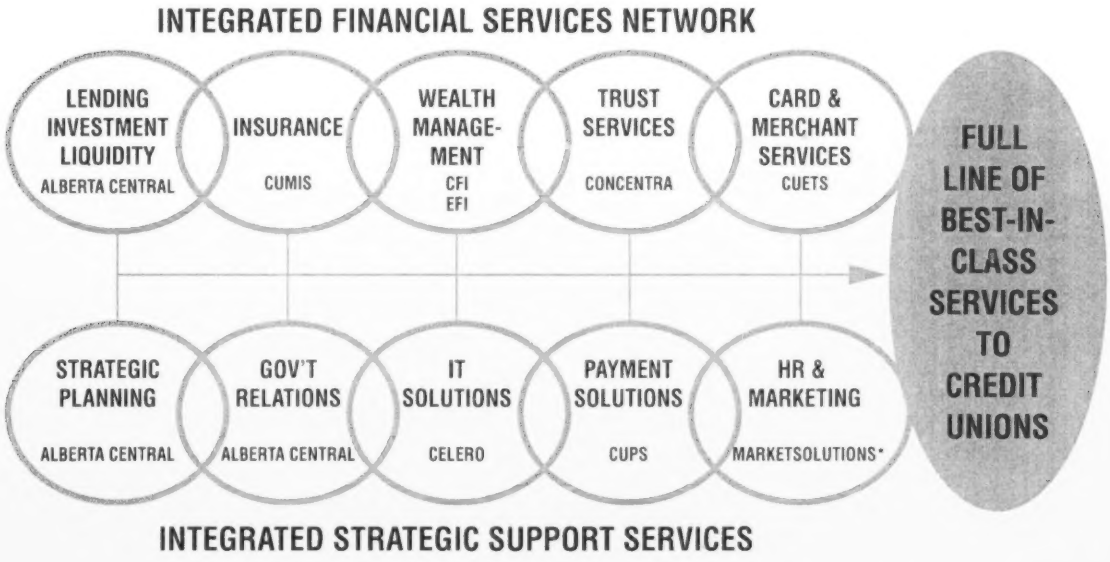
From inception to delivery, the financial services process is incredibly complex. Product and service design and production, transaction processing, Internet banking, security, marketing, member relationship management, distribution, and service support are all essential activities in the financial services value chain. We have organized our operations in a way that allows all members of our product and services network to focus on manufacturing, service design, and enhanced channels of distribution.

*** MarketSolutions – formerly the CUOS joint venture.**

Each member of our network concentrates its energies and resources on its core competencies, and together we create unique value for our member credit unions.

Working Together

From inception to delivery, the financial services process is incredibly complex. Product and service design and production, transaction processing, Internet banking, security, marketing, member relationship management, distribution, and service support are all essential activities in the financial services value chain. We have organized our operations in a way that allows all members of our product and services network to focus on manufacturing, service design, and enhanced channels of distribution.



*** MarketSolutions – formerly the CUOS joint venture.**

Each member of our network concentrates its energies and resources on its core competencies, and together we create unique value for our member credit unions.

Our Partners

Credit Union Central of Manitoba (Manitoba Central)

Manitoba Central exists to help Manitoba credit unions meet their business needs, provide services to their members, and promote co-operative principles. Products and services currently offered to Manitoba credit unions through Manitoba Central include: banking and payment services, treasury services, lending, human resources services (compensation, benefits and recruitment), government lobbying, legal support, research and planning, media representation and public relations.

Manitoba Central works to provide leadership and ensure the delivery of high value products and services that help credit unions achieve their vision in an environment that is characterized by multiple dimensions of change resulting from increasing regulation, technology advances, growing numbers and types of competitors, capital market pressures, and constantly changing consumer demands. Manitoba Central is moving towards a future state business model that provides the flexibility and agility needed to respond to the changing external factors to the benefit of its credit unions. Having mutually beneficial relationships with strategic partners that allow the direct and indirect provision of products and services to credit unions forms a key part of this strategy.

Leveraging off the strengths of Manitoba Central's strategic partners is the company's key thrust for today and into the future. The sharing of resources and expertise among provincial Centrals and with other co-operative organizations is evident in the following strategic partnerships and projects:

- Since 2002, Manitoba credit unions have had access to the Asset Liability Management Tool (ALM) that was developed by SaskCentral.
- Together with Alberta Central, SaskCentral, CU Electronic Transaction Services (CUETS), and Concentra Financial, Manitoba Central is part of Celero Solutions—a joint venture launched in 2003 to consolidate information technology functions of the five parent organizations. Currently, Manitoba Central plays a leading role in providing human resources services to this organization.
- Manitoba Central partnered with SaskCentral's MarketSolutions for the provision of human resources consulting services such as Agriculture Loan Training for Saskatchewan credit unions and People Development Services for Manitoba credit unions.
- Manitoba Central also has a history of partnering with other provincial Centrals and Credit Union Payment Services (CUPS) to provide selected payment services to Manitoba credit unions.

With these accomplishments highlighting the success of Manitoba Central's partnerships, and with the possibility of new joint projects, Manitoba Central is well positioned to provide the highest standard of services to Manitoba credit unions now and in the future.

Garth Manness
Chief Executive Officer

Fast Facts

Employees: **95**

Assets: **$1.48 billion**

Owners: **57 Manitoba Credit Unions**

System Assets: **$10.2 billion**

Our Partners

Credit Union Central of Saskatchewan (SaskCentral)

SaskCentral is a second tier financial co-operative owned by Saskatchewan credit unions. SaskCentral is proud to be a contributing partner, helping to maximize Saskatchewan credit union success through shared leadership and collective action on processes and initiatives that benefit credit unions throughout the province.

SaskCentral delivers democratic governance support, credit union advocacy, market intelligence, strategic investment management, liquidity management and access to payments networks.

As a leader in innovation, SaskCentral researches, develops and implements initiatives to support the credit union system's strategic direction. Through MarketSolutions, SaskCentral provides timely, innovative and cost-effective business solutions to enhance the competitive positioning of credit unions in and out of province.

SaskCentral's Finance/Strategic Investment Management division effectively undertakes system-wide strategic investment management through continual development and evolution of joint ventures, partnerships and strategic alliances that will assist credit unions to best serve their members:

- SaskCentral is a partner in CU Electronic Transaction Services (CUETS), a national card company jointly owned by Saskatchewan and Alberta Centrals. As a principal member of MasterCard International and Maestro®, CUETS offers a comprehensive suite of card-issuing and card-acquiring products and services.
- SaskCentral, along with four prairie co-operative organizations—Credit Union Centrals of Manitoba and Alberta, Concentra Financial and CUETS—launched Celero Solutions in 2003. Celero's mandate is to deliver reliable, innovative and cost effective information technology solutions to prairie credit unions, Celero's owner organizations and other clients.
- SaskCentral, in partnership with Alberta Central, formed Credit Union Payment Services (CUPS)—a joint venture that provides payment processing and related value-added services to credit unions and other organizations.
- SaskCentral is a major investor in Concentra Financial. Concentra offers a comprehensive suite of value-added financial products and specialized solutions to enhance credit unions' competitive advantage.
- Other strategic investments include participating in The CUMIS Group, Credential Financial, The Ethical Funds Company and The Co-operators. Through these strategic partners, credit unions have access to many financial and insurance products.

Sid Bildfell
Chief Executive Officer

Fast Facts

Employees: **63**

Consolidated Assets: **$3.9 billion**

Owners: **97 Saskatchewan Credit Unions**

System Assets: **$9.4 billion**

Our Joint Ventures

Celero Solutions

To respond to credit unions' quest for information technology solutions that would allow them to meet their members' evolving needs, five prairie cooperative organizations—Credit Union Centrals of Manitoba, Saskatchewan, and Alberta, Concentra Financial, and CU Electronic Transaction Services—enhanced the strategic value of their technology services to credit unions by joining forces to form Celero Solutions.

Celero's mandate is to deliver reliable, innovative and cost effective information technology solutions to prairie credit unions, Celero's owner organizations, and other clients. Celero is a virtual organization with approximately 320 staff located in Calgary, Regina, Saskatoon and Winnipeg. Celero services include but are not limited to:

- Operation and support of banking systems and their associated delivery channels, including Internet and telephone banking
- ATM driving and debit card transaction switching
- Network services encompassing local area networks (LANs), wide area networks (WANs), metropolitan area networks (MANs), and Internet service provider (ISP) services
- Custom product and application development
- Product integration
- Production support

Celero has partnered with Metavante Corporation to create Everlink Payment Services Inc., a company that has established itself as a leading-edge electronic transaction switching service provider in the Canadian market. Everlink's target market includes Canadian credit unions, banks, and independent service organizations of all sizes. Everlink is owned 49% by Celero and 51% by Metavante Corporation.

Celero was created to help its clients thrive in the highly competitive Canadian financial services marketplace, where the effective use of information technology is a key success factor. During its first three years of operation Celero has made progress in moving forward its major initiatives in the areas of transaction switching and retail banking, and has continued to deliver on established service commitments. The key milestone in 2005 was the introduction of the eroWORKS® retail banking platform to Celero's prairie credit union clients—a flexible and open banking system that represents a new generation in banking technology and will position Celero to effectively address the present and future needs of Canadian credit unions of different sizes and business complexity levels. The focus for 2006 will be on streamlining the organization, its products, services, and delivery processes to ensure Celero delivers the benefits for which it was formed.

Fast Facts

Employees: **320+**

Clients: **200+**

Annual Operating Budget: **$68 million**

Owners: **Alberta Central, Manitoba Central, SaskCentral, Concentra Financial, CU Electronic Transaction Services**

Our Joint Ventures

CU Electronic Transaction Services (CUETS)

CUETS is a joint venture owned by Alberta and Saskatchewan Centrals. With its head office in Regina, a MasterCard Contact Centre in Winnipeg, and several regional sales offices, CUETS partners with credit unions and caisses populaires across Canada to provide card and merchant services to their members. As a service partner in the credit union system, CUETS places a high value on understanding credit unions' diverse clients and helping credit unions achieve their business goals.

Since its formation in 1981, CUETS has grown from a small regional service provider to a national organization, and has expanded its product offering from the GLOBAL PAYMENT™ MasterCard to a full suite of card and merchant (through the Unified Network Payment Solutions (UNPS) Partnership) options. CUETS' mission is to enable credit unions and other clients to provide world-class products and services to their members and customers. CUETS specializes in delivering enterprise solutions for the financial industry, with core competencies in payment services, customer care services, aggregation of business information and volumes, management of multiple client and vendor relationships, and management of enabling technologies.

The focus of 2005 was on growth and improvement for the card issuing and Integrated Support Services (ISS) business, and on completion of the Business Transformation for the merchant business, including conversion to the First Data Merchant Services (FDMS) system platform and the transition of merchant operational support to the UNPS Partnership. Growth efforts concentrated on credit card portfolio performance improvements, acquisition of new accounts, and sourcing of new clients. Improvement initiatives were targeted toward strengthening service consistency and service levels and improving customer satisfaction, while maintaining operational effectiveness. Stabilization efforts focused primarily on the transition of the merchant platform and operational support.

With 25 years of experience in providing proven card payment systems and industry recognized customer service programs, CUETS is keenly aware of the ever-evolving nature of financial services. The next step in the industry's evolution is the introduction of chip technology for credit and debit cards. In October 2005, CUETS announced its intention to implement and support chip technology for its card products, and to offer a suite of chip card solutions and related services to its credit union partners. CUETS is highly committed to the expansion of chip cards in Canada. It is an active participant in Credit Union Central of Canada's Chip Card Strategy Task Force and a member of several multi-lateral card industry committees engaged in laying the foundation for chip card migration in Canada. Chip card technology development will continue to be a priority for CUETS in the years to come.

Stan Kuss
Chief Executive Officer

Fast Facts

Employees: **550**

Clients:
Approximately 425 Canadian Credit Unions and their members plus other financial institutions

Revenue:
$155.6 million

Owners: **Alberta Central, SaskCentral**

Our Joint Ventures

Credit Union Payment Services (CUPS)

CUPS is a joint venture between Alberta and Saskatchewan Centrals that delivers payment processing and related value-added services to Alberta and Saskatchewan credit unions and several other corporate clients. The operation and management of the joint venture have been delegated to Alberta Central, under the guidance of a management committee comprised of senior executives from the two parent organizations. Since its inception, the joint venture has demonstrated excellent performance in terms of financial stability, service delivery, product innovation and customer satisfaction.

With 166 employees, CUPS processes in excess of 137 million transactions annually. CUPS has responsibility for the operation and future development of payment services functions for Alberta and Saskatchewan credit unions. Services offered by CUPS include clearing and deposit processing, electronic payments, statement processing, bill payment processing, distribution services and various back-office support services. CUPS focuses on anticipating industry trends and changes within the payments environment, making the strategic decisions required to adapt effectively. The goal is to continue to offer a service delivery environment that ensures high performance, fair profitability and sustained longevity, while enabling credit unions to service their marketplaces with new, innovative and cost competitive services.

CUPS is continuing to focus efforts toward effectively positioning itself and credit unions for the Truncation and Electronic Cheque Presentment (TECP) project, a major initiative amongst direct clearers in Canada led by the Canadian Payments Association (CPA). To further support credit unions in their market competitiveness and assist in the generation of new business opportunities, CUPS' operations are continually optimized, and new products and services are introduced to leverage the flexibility and cost effectiveness of electronic delivery methods.

CUPS is well positioned to anticipate industry trends and offer solutions based on a comprehensive service delivery platform that can support the continually evolving payments environment.

Fast Facts

Employees: **166**

Clients: **165**

Transactions Processed: **137 million annually**

Owners: **Alberta Central, SaskCentral**

Our Joint Ventures

MarketSolutions

MarketSolutions, the former CUOS joint venture, is currently a division of SaskCentral. It delivers consulting solutions to credit unions across Canada. These solutions are available in a wide array of options and combinations and can be customized to meet each credit union's unique needs. MarketSolutions' services are provided through the organization's diverse business lines: Consulting, Contract Management Services, Promotions Plus, and Retail Business Solutions.

MarketSolutions' consulting team provides credit unions with access to specialized expertise in the areas of Human Resources and People Development, Marketing and Market Research, Market Growth and Segmentation, Sales and Service Culture, and Strategic Planning.

Contract Management Services lends its leadership expertise to help credit unions find the right people, either for a specific project, general management, or even short term relief management.

Promotions Plus helps credit unions keep their profile top-of-mind with their members and in their communities by locating the right promotional items and fulfilling credit unions' printing needs.

Retail Business Solutions offers a consolidated source for credit unions' deposit and lending information and retail support needs. Retail Business Solutions' experts focus on gathering, interpreting, and sharing critical legislative information with credit unions. Innovative product development helps credit unions meet growing demands for highly specialized services in the deposit and lending fields.

MarketSolutions shares common goals with its clients and partners, and is focused on understanding the needs of credit unions and working together to construct solutions to meet those needs. Through MarketSolutions, innovative and comprehensive services are available to any credit union, anywhere. Its teams of dedicated experts specialize in providing the right solutions, at the right time, and at a price that is just right for credit unions.

Fast Facts

Employees: **30 + 13 contract managers**

Clients: **1,900 across Canada**

Revenue: **$6.9 million**

Owner: **SaskCentral**

Our Investments

Concentra Financial

Concentra Financial is a credit union company and an integral part of the Canadian co-operative financial system. Partnering with credit unions and other organizations, nationally, Concentra delivers specialized solutions that enhance credit unions' competitive advantages and success.

Concentra offers a comprehensive suite of products and services that support the business needs of clients. Based on specific client objectives, solutions can be tailored to simplify business operations or expand product offerings through Concentra's business lines: corporate finance, trust services, financial services, commercial leasing, and corporate banking.

Corporate Finance assists credit unions in managing operating and excess liquidity through an extensive range of deposit, investment, derivative and loan products. Innovative deposit and investment products facilitate credit union day-to-day operations and support their short and long-term financial success through assisting in risk and excess liquidity management. Specialized consulting to individual credit unions in the area of financial management provides bottom-line enhancement of the credit union's financial performance.

Trust services are available through Concentra Trust, a wholly-owned subsidiary of Concentra Financial. Both corporate and personal trusts are available for credit unions and their members who require the services of a professional trustee. Unique credit union programs are specifically designed to assist credit unions to expand their product offerings, provide an entry point for wealth management, increase assets, provide fee revenue, and strengthen member relationships.

Financial services delivers programs and products designed to be seamlessly integrated with credit unions' retail markets. Financial Services' role is to expand credit union service offerings and provide solutions for liquidity management, as well as credit union member retention and growth. Services offered to credit unions include mortgage origination, deposit warehousing and administration.

Commercial Leasing provides commercial lease financing, syndication services and asset administration nationally to clients, professionals, and public and private sector businesses seeking equipment, technology and infrastructure financing. These lease transactions are funded by the credit union system, which allows Canadian communities to retain the resulting financial and economic benefits.

Credit unions can expand service offerings to their larger commercial members through access to a comprehensive range of Concentra's Corporate Banking services. As a full-service financial provider, Corporate Banking is focused on working with credit unions to meet the needs of their commercial clients. This partnership helps credit unions to build stronger member relationships and to ensure ongoing growth of credit union products and services.

Myrna Bentley
President & CEO

Fast Facts

Employees: **400+**

Consolidated Assets Under Administration: **$17.7 billion**

Corporate Assets: **$2.8 billion**

Owners: **Provincial Centrals, CUMIS, The Co-operators**

Our Investments

Credential Financial Inc.

Credential Financial Inc. (Credential®) is the wealth management distribution company for the Canadian credit union system and parent company for several entities that distribute investment and insurance products and advice: Credential Asset Management, Credential Securities®, Credential Direct®, Credential Insurance Services, and Credential Financial Strategies.

Credential Asset Management is a mutual fund dealer servicing credit unions across the country, and is the principal distributor of proprietary mutual funds managed by The Ethical Funds Company™. Credential Asset Management provides credit unions with access to over 1,200 third party mutual funds, sales support, training, and back office administration.

Credential Securities is a full-service investment dealer enabling credit unions to offer a comprehensive line of investment products and services, including stocks, bonds, and mutual funds.

Credential Direct is an online brokerage service providing credit union members and independent investors access to self-managed investment services. Credential Direct is a division of Credential Securities.

Credential Insurance Services is a managing general agency enabling credit unions to offer insurance-related solutions from top insurance companies. Its wholly owned subsidiary, Credential Financial Strategies, facilitates the employment of licensed financial planners on behalf of partner credit unions, enabling them to offer integrated investment and insurance related solutions.

Achievements in 2005 advanced an ongoing commitment to establish credit unions as wealth management experts with their members. The 10th anniversary of Credential Securities was marked with a complete review of its services. Credential also rounded out its product line by launching Credential EnRich Portfolios, a collection of high-end mutual fund wraps targeted for credit union members.

Throughout the year, Credential expanded its advice position by developing new publications for representatives such as *Analyst Insights*, and new tools for building wealth management business plans and strategies for credit union management. By September 30, 2005, revenue had grown by 17% over 2004, allowing Credential to return $57 million in commissions and trailer fees to credit unions—the highest return paid to partners to date.

Don Rolfe
President & CEO

Fast Facts

Employees: **210**

Credit Union Partners: **330 across Canada**

Assets Under Administration: **$7.3 billion**

Owners: **Provincial Centrals (50%), CUMIS (50%)**

Our Investments

The Ethical Funds Company

The Ethical Funds Company™ is Canada's leading manager of socially responsible mutual funds, providing professional money management while investing according to financial, social, and environmental performance. The Ethical Funds Company also manufactures several investment products on behalf of its partner, Credential Financial Inc.

EF Administration Inc. (EFA) is a wholly owned subsidiary of The Ethical Funds Company, and a registrar and transfer agent for Ethical Funds®. EFA is responsible for the administration and operation of Ethical Funds.

The Ethical Funds Company is focused on principles of *sustainability*—meeting the needs of the present day without comprising the ability of future generations to do the same. It researches, scores, monitors, and invests in companies that produce an overall positive impact on society, leveraging their Shareholder Action Program to engage in constructive dialogue and encourage the adoption of more sustainable strategies.

In 2005, The Ethical Funds Company launched the Ethical Advantage Series—the first lifecycle funds in North America to be based on sustainable investing practices. Shortly after this launch, three of the five funds had already performed in the 1st and 2nd quartile.

2005 was also an award-winning year for the company. The Ethical Canadian Dividend Fund and Ethical Special Equity Fund were honoured at the *Canadian Investment Awards* as "best in category". For the second year in a row, the Ethical Canadian Dividend Fund won the *Imagine Canada Socially Responsible Investment Fund Award* for outstanding performance, industry leadership, and the education of Canadian investors on triple bottom line investing.

The Ethical Funds Company was established in 1992 and is owned by the credit union system, operating with management and staff shared with Credential.

Fast Facts

Employees: **90**

Clients:
150,000 Investors

Assets Under Management:
$2.1 billion

Owners: **Provincial Centrals (100%)**

Our Investments

Credit Union Central of Canada (Canadian Central)

The national trade association for the credit union system in Canada, Canadian Central provides:

- A national forum for credit unions to work together across local and provincial boundaries, through consultation and consensus-building, research and conferences, task forces and committees
- A national voice for the system, exercising advocacy to promote credit union interests to the federal government and to other national regulatory bodies, as well as the media
- National services that bring efficiencies and economies of scale to the credit union system

Canadian Central's vision is to be *"a valued catalyst for a strong, competitive credit union system providing superior financial services to all Canadians"*. In accordance with this vision, Canadian Central provides its owners and Canada's credit unions with opportunities to work together at a national level. This is evidenced by many initiatives recently undertaken by Canadian Central:

- Canadian Central's Board formed the Special Strategy Committee (SSC) to plan the credit union system's response to opportunities offered if the federal government supports bank mergers. As part of this effort, the SSC's Small and Medium Sized Enterprise (SME) Team is dealing with strategies to position credit unions as premier providers of financial services to SME's.
- In its role as a Canadian Payments Association (CPA) Group Clearer, Canadian Central is a full participant in planning for Truncation and Electronic Cheque Presentment (TECP)—an industry-wide project that will replace the physical exchange of cheques with the exchange of electronic images.
- The credit union system's Debit Card Fraud Task Force completed its work in 2005. Its final report, entitled *Combating Debit Card Fraud...Small Steps Can Add Up to Big Protection*, offers tips and ideas to help credit unions and their members.
- In May 2005, Canadian Central and the Canadian Co-operative Association jointly hosted CONNECTIONS 2005—a conference that celebrated the founding principles of the credit union/co-op movement, as well as Saskatchewan's centennial.
- The federal government's review of federal financial institutions legislation is scheduled for completion by 2006. To advocate for credit unions, Canadian Central made submissions and held meetings with federal officials in preparation for the review.
- CUSOURCE® Credit Union Knowledge Network, an unconsolidated subsidiary of Canadian Central, completed its second full year with over 8,900 credit union employees subscribing to the CUSOURCE Learning Management System (LMS). In 2005, revenue grew by 50% as credit unions recognized the value of the CUSOURCE LMS, and demand for courses and tools increased.

These undertakings, as well as Canadian Central's multiple discount programs, credit union award programs, liquidity oversight and national awareness-building and advocacy initiatives, advanced Canadian Central in its role of supporting and strengthening the credit union system.

David Phillips
Interim President & CEO

Fast Facts

Employees: **48**

Net Investment Income (after tax): **$1.2 million**

Net Trade Division Assessment: **$9.1 million**

Owners: **Provincial Centrals and Other Partners**

Our Investments

The CUMIS Group Limited

For more than 65 years, the CUMIS Group has marketed a diverse portfolio of insurance and non-financial services to Canadian financial co-operatives, credit unions and caisses populaires, and their members. Its principal companies are CUMIS Life Insurance Company, CUMIS General Insurance Company, and Canadian Northern Shield Insurance Company.

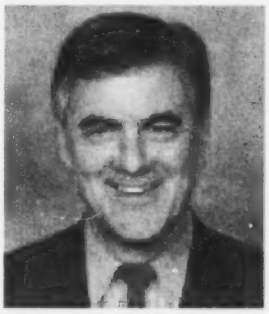
The CUMIS Group is a partner in the Credit Union Insurance Services (CUIS) program, a joint marketing venture between the CUMIS Group and The Co-operators. The CUMIS Group and The Co-operators jointly own CUIS Brokerage Services Limited, which facilitates the acquisition and management of insurance agencies. CUIS Brokerage Services has an ownership position, in partnership with several British Columbia credit unions, in a number of credit union agencies. The CUMIS Group also holds a 50% interest in Credential Financial Inc.

Through the CUIS program, the CUMIS Group has focused its resources on growing and strengthening the Canadian credit union market. The organization supports credit unions in delivering multiple products and services, such as life and health insurance, property and casualty coverages, and sales training. These products help credit unions provide seamless service to members, enhance existing member relationships, and attract new business.

The CUMIS Group's sole market is the Canadian financial co-operative system and, as such, it serves to operate as a partner with credit unions, caisses populaires, provincial Centrals, and other system organizations.

In 2005, the CUMIS Group continued to leverage technology to enhance the level of service it delivers to credit unions and their members. The organization introduced a second phase of its successful Claims Express platform, as it can now handle life claims along with disability. The organization also spent time analyzing the valuable feedback received from customers through an ongoing loyalty survey. As a result, a project was initiated to re-design and enhance the structure of the CUMIS Group's sales team. In the new design, delivery of the sales and product coaching and training that credit unions have come to value will be enhanced. In addition, a new strategic account management stream will be introduced to provide even more focus on the CUMIS Group's sales and service efforts. The organization also renamed and expanded CUIS Brokerage Services, as the number of credit unions wanting to partner with the organization continued to steadily grow.

The CUMIS Group remains committed to strengthening its partnerships with Canadian financial co-operatives, and supplying the products and services that help system organizations serve their membership, while also helping to grow the credit union system.



Mike Porter
Chief Executive Officer

Fast Facts

Employees: **520**

Locations: **19**

Assets: **$1 billion**

Owners: **CUNA Mutual Group, Provincial Centrals and Other Partners**

Comprised of multiple strategic alliances, joint ventures, investments, and subsidiaries, our financial product and services network is a complex and multi-faceted entity. Alberta Central is an integral part of this network organization. Our focus is on further development of partnerships and alliances, coordination of financial resources and technology, and management of our core competencies.

PARTNERS

ALBERTA CENTRAL

Employees: 61

Assets: $1.58 billion

Owners: 49 Alberta Credit Unions

System Assets: $10.9 billion

SASKATCHEWAN CENTRAL

Employees: 63

Assets: $3.9 billion

Owners: 97 Saskatchewan Credit Unions

System Assets: $9.4 billion

MANITOBA CENTRAL

Employees: 95

Assets: $1.48 billion

Owners: 57 Manitoba Credit Unions

System Assets: $10.2 billion

JOINT VENTURES

FAST FACTS

Employees: 1,036

Alberta Share:

CUETS	50%
CELERO	33%
CUPS	50%

INVESTMENTS

FAST FACTS

Employees: 1,268

Alberta Share:

Concentra	9%
Credential	7%
Ethical Funds	16%
CUCC	13%
CUMIS	1%

This strategy ensures that our network operates in a smooth and coordinated manner and is able to compete successfully in the dynamic financial services marketplace. Linked by shared values, technology, and resources, Alberta Central and its network partners are committed to their foremost priority: to provide seamless products and services that fully meet the needs of our clients.

Central

Comprised of multiple strategic alliances, joint ventures, investments, and subsidiaries, our financial product and services network is a complex and multi-faceted entity. Alberta Central is an integral part of this network organization. Our focus is on further development of partnerships and alliances, coordination of financial resources and technology, and management of our core competencies.

PARTNERS

ALBERTA CENTRAL

Employees: 61

Assets: $1.58 billion

Owners: 49 Alberta Credit Unions

System Assets: $10.9 billion

SASKATCHEWAN CENTRAL

Employees: 63

Assets: $3.9 billion

Owners: 97 Saskatchewan Credit Unions

System Assets: $9.4 billion

MANITOBA CENTRAL

Employees: 95

Assets: $1.48 billion

Owners: 57 Manitoba Credit Unions

System Assets: $10.2 billion

JOINT VENTURES

FAST FACTS

Employees: 1,036

Alberta Share:

CUETS	50%
CELERO	33%
CUPS	50%

INVESTMENTS

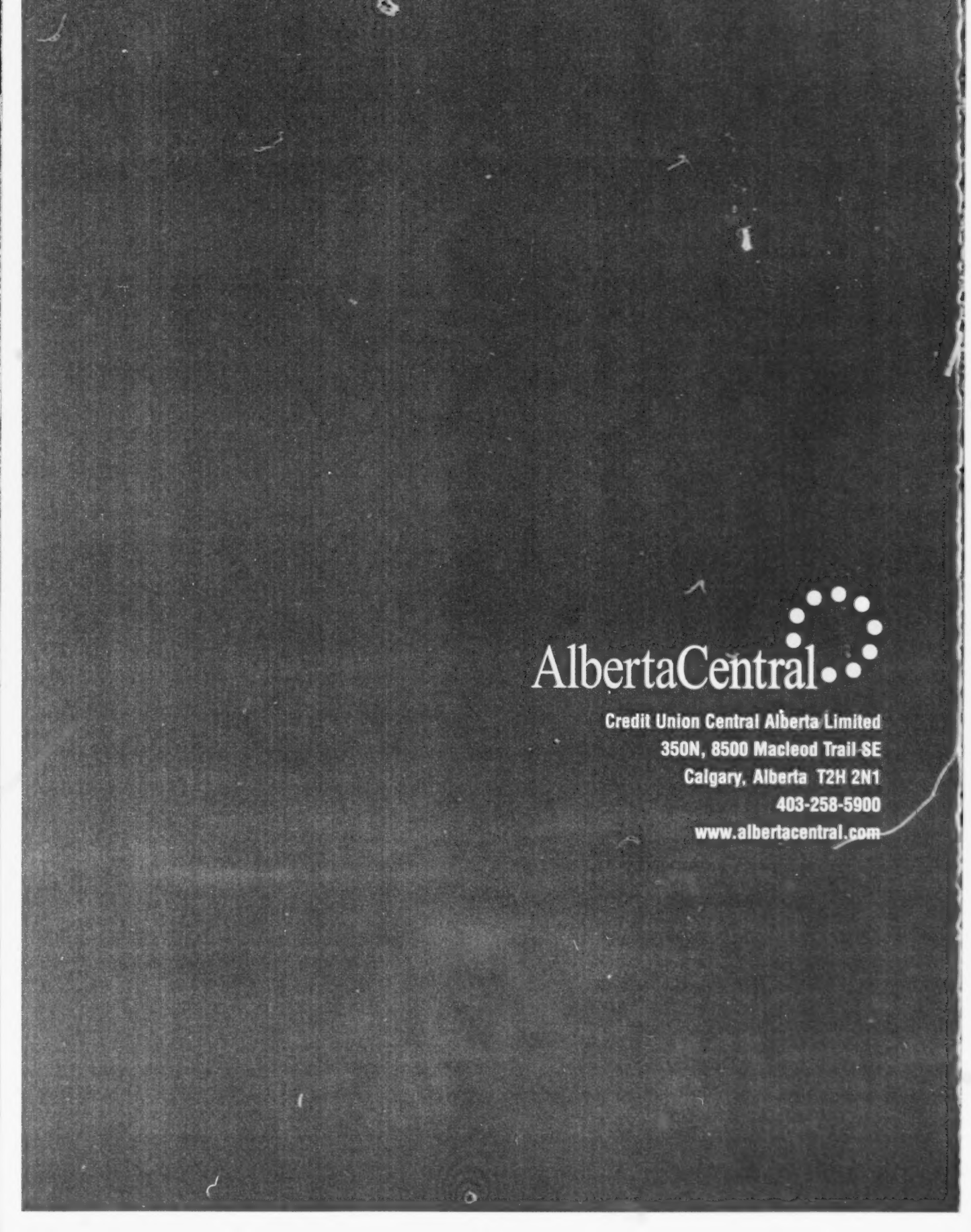
FAST FACTS

Employees: 1,268

Alberta Share:

Concentra	9%
Credential	7%
Ethical Funds	16%
CUCC	13%
CUMIS	1%

This strategy ensures that our network operates in a smooth and coordinated manner and is able to compete successfully in the dynamic financial services marketplace. Linked by shared values, technology, and resources, Alberta Central and its network partners are committed to their foremost priority: to provide seamless products and services that fully meet the needs of our clients.



Credit Union Central Alberta Limited
350N, 8500 Macleod Trail SE
Calgary, Alberta T2H 2N1
403-258-5900
www.albertacentral.com